

FISCAL NOTE
SB 182 - HB 593

February 28, 2005

SUMMARY OF BILL: Authorizes telecommunications providers to offer promotional incentives for a period not exceeding 180 days. Authorizes price discrimination for retail customers if not based on race, religion or ethnicity. Prohibits the Tennessee Regulatory Authority (TRA) from exercising regulatory jurisdiction over retail offerings of telecommunication product and service bundlings. Prohibits the TRA from establishing reporting requirements or a uniform system of accounts on telecommunications carriers that differ from the requirements of the Federal Communications Commission.

ESTIMATED FISCAL IMPACT:

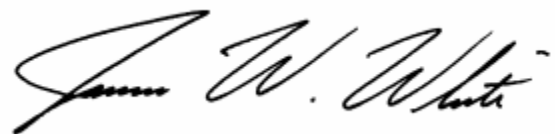
Increase State Expenditures \$256,000

Assumptions:

- All telecommunication carriers are assessed inspection fees based on revenues reported to the TRA. Without reporting requirements, the TRA would be unable to verify revenues and collect inspection fees from telecommunication carriers and would need to conduct annual audits to verify inspection fee payments.
- Fifteen rate-of-return telecommunication companies in Tennessee presently submit monthly financial reports. TRA personnel would be required to make monthly on-site visits to obtain financial information.
- Three companies are prohibited by statute from cross-subsidization between telephone and electric service operations and presently submit annual reports outlining all activity. TRA would be required to perform annual on-site audits of the three companies to obtain the information.
- Four additional positions and related expenses will be required for the TRA to perform these duties.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director